

Sent to Council:

Distributed on:
AUG 16 2011
City Manager's Office

Memorandum

**TO: HONORABLE MAYOR
AND CITY COUNCIL**

FROM: Leanna Bieganski

SUBJECT: Early Council Packet

DATE: August 16, 2011

Approved

Date

8/16/11

EARLY DISTRIBUTION COUNCIL PACKET FOR AUGUST 30, 2011

Please find attached the Early Distribution Council Packet for the August 30, 2011 Council Meeting.

2.x Amendments to Open Purchase Orders for Sidewalk Repair.

Recommendation: Authorize the Director of Finance to:

- (a) Execute amendments to the existing Open Purchase Orders 45421, 45427 and 45425 with Wilson Concrete (San José, CA), Duran Hogan Construction (San José, CA) and CB Construction (San José, CA), respectively, to encumber an additional \$100,000 each, for a total amount not to exceed \$345,000 for each purchase order for sidewalk repair; and
- (b) Shift funding between the three Purchase Orders with total compensation between all three Purchase Orders not to exceed \$1,035,000.

CEQA: Exempt, File No. PP10-113. (Finance)

4.x Actions Related to the Dislocated Workers Grant for NUMMI.

Recommendation: Adopt the following 2011-2012 Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act (WIA) Fund (290):

- (a) Increase the estimate for Earned Revenue by \$1,509,191;
- (b) Increase the National Emergency Grant (NEG) Dislocated Workers – NUMMI appropriation in the amount of \$1,493,839; and

- (c) Establish an appropriation to the Office of Economic Development for the Exemplary Performance Award in the amount of \$15,352.
CEQA: Not a Project; File No. PP10-067(b), Appropriation Ordinance. (Office of Economic Development/City Manager's Office)

6.x Long-Term Parking Agreement with the Superior Court of the State of California for Use of the Market/San Pedro Square Garage.

Recommendation: Approve a long-term parking agreement for up to 50 years with the Superior Court of the State of California, County of Santa Clara, for the issuance of up to 450 parking permits to the Superior Court for use of the Market/San Pedro Square Garage at no cost for three years and a monthly charge thereafter for the remaining 47 years.
CEQA: Not a Project, File No. PP10-066(f), Agreement for lease of existing space.
Council District 3. (Transportation)
TO BE DISTRIBUTED SEPARATELY

6.x Route 101 Freeway Improvements Between I-280 and Yerba Buena Road.

Recommendation:

- (a) Approve a funding agreement for the Route 101 from I-280 to Yerba Buena Road project providing funding in the amount of \$4,200,000 from the City of San José to the Santa Clara Valley Transportation Authority.
- (b) Adopt the following Appropriation Ordinance Amendments in the Building and Structure Construction Tax Fund:
- (1) Increase the appropriation to the Department of Transportation for the Route 101/Tully Interchange Upgrade by \$500,000; and
 - (2) Decrease the Ending Fund Balance by \$500,000.

CEQA: Mitigated Negative Declaration, File No. OA05-010. (Transportation/City Manager's Office)

These items will also be included in the Council Agenda Packet with item numbers.



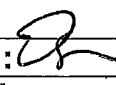
LEANNA BIEGANSKI
Agenda Services Manager



Subject: Encumber Additional Funds to Open Purchase Orders 45421, 45427 and 45425 with Wilson Concrete, Duran Hogan Construction and CB Construction

Council Agenda:
8/30/11
Item:

City Council Action Request

Department: Transportation	CEQA: PP10-066(c) Not a Project	Coordination: City Attorney's Office, Department of Transportation, City Manager's Budget Office	CMO Approval:  Dept. Approval: /s/ Scott Johnson
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RECOMMENDED ACTION:

Authorize the Director of Finance to:

- (a) Execute amendments to the existing Open Purchase Orders 45421, 45427 and 45425 with Wilson Concrete (San Jose, CA), Duran Hogan Construction (San Jose, CA) and CB Construction (San Jose, CA), respectively, to encumber an additional \$100,000 each, for a total amount not to exceed \$345,000 for each purchase order for sidewalk repair; and
- (b) Shift funding between the three Purchase Orders with total compensation between all three Purchase Orders not to exceed \$1,035,000.

These purchase orders are required for the removal, disposal, and replacement of concrete within the public right of way for the one-year term ending on October 31, 2011. Allowing funding to be shifted among the three purchase orders will give staff greater flexibility in the event that one of the vendors does not have the capacity to perform the required service or if one vendor quotes more favorable pricing for a given project.

BASIS FOR RECOMMENDATION:

Desired Outcome: To maintain the City's sidewalks and walk-ways for public safety.

This requirement was competitively solicited and awarded in November 2007 to the three suppliers that submitted the most favorable pricing, Wilson Concrete, Duran Hogan Construction, and CB Construction, for a one-year term ending October 31, 2008, with three additional one-year options to renew. The purchase orders are currently in their last option year.

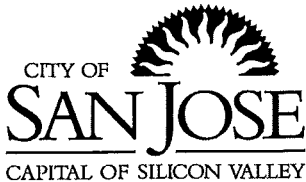
Due to the recent merger of the tree and sidewalk sections in the Department of Transportation (DOT), more sidewalk locations are being marked for repair or replacement than in past years. In the past DOT did not inspect sidewalks when performing tree inspections. Under the current program DOT inspectors review sidewalks while performing tree inspections, which have increased the number of sidewalk repairs/replacement projects from the originally estimated 1800 to 2800 for this annual PO term ending October 31, 2011.

This requirement will be competitively solicited in the fall of 2011.

COST AND FUNDING SOURCE:

General Fund, Appropriation 3121 Sidewalk Repairs.
Proposed Operating Budget page IX-22, \$500,000

FOR QUESTIONS CONTACT: Mark Giovannetti, Purchasing Division Manager at 408-535-7052



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Kim Walesh
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: August 8, 2011

Approved

Date

8/12/11

COUNCIL DISTRICT: City-wide
SNI AREA: N/A

**SUBJECT: ADOPTION OF 2011-2012 APPROPRIATION ORDINANCE AND
FUNDING SOURCES RESOLUTION AMENDMENTS FOR THE
FEDERAL AND STATE WORKFORCE INVESTMENT ACT (WIA FUND)**

RECOMMENDATION

Adoption of the following 2011-2012 Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act (WIA) Fund (290):

- a. Increase the estimate for Earned Revenue by \$1,509,191;
- b. Increase the National Emergency Grant (NEG) Dislocated Workers – NUMMI appropriation in the amount of \$1,493,839; and
- c. Establish an appropriation to the Office of Economic Development for the Exemplary Performance Award in the amount of \$15,352.

OUTCOME

These recommended appropriation actions will recognize and make available grant awards from the Department of Labor (DOL) through the State's Employment Development Department (EDD). Currently, work2future has over 9,000 unemployed adult and dislocated worker clients and is witnessing a still increasing demand for its services. The additional NEG funding will enhance work2future's ability to provide comprehensive services to New United Motors Manufacturing Incorporated (NUMMI) workers, while continuing to meet all of its DOL-mandated performance measures and, at the same time, buffer work2future's operations from the significant reductions of 58% in its core formula funding incurred over the last two years.

August 8, 2011

Subject: NUMMI Re-Employment National Emergency Grant and Exemplary Performance Award

Page 2

The Exemplary Performance Award may be used by work2future for allowable costs under the Workforce Investment Act.

BACKGROUND

The New United Motors Manufacturing Incorporated (NUMMI) ceased operations in April 2010. More than 4,700 full-time employees were laid off from the NUMMI plant alone. Over 2,800 direct and indirect suppliers were forced to close or downsize due to the NUMMI plant closure, affecting an additional 10,000 workers. Of the total number of affected workers, approximately 800 NUMMI employees and 900 employees of direct and indirect suppliers reside in work2future's service area.

On August 3, 2010, work2future staff submitted and the City Council approved appropriation ordinance and funding sources resolution amendments to the Workforce Investment Act (WIA) Fund to establish an appropriation for the 25% Additional Assistance Grant Funding of \$970,000 and for the NUMMI National Emergency Grant (NEG) Dislocated Workers Project first funding increment of \$2,006,901. The second increment funding would be released once all participating Workforce Investment Boards (WIBs) reached the 70% expenditure rate on the first increment of the NEG allocation. With these funding allocations, work2future provided training, supportive, and case management services to 550 NUMMI eligible clients over the original enrollment goal of 470.

In June 2011, EDD notified work2future of the NUMMI NEG second increment funding of \$1,493,839, which represents work2future's share of the total amount of \$7,839,983 released by the State. These funds will allow for the provision of services to NUMMI Dislocated Workers through March 31, 2012, in addition to the carryover bridge and first increment funding.

work2future also received an Exemplary Performance award of \$15,352 for meeting or exceeding its State-mandated performance measures for Program Year (PY) 2009-2010.

ANALYSIS

The second increment of NUMMI NEG funding will leverage the Trade Adjustment Assistance Act (TAA), other federal funding sources, and the Governor's 25% funding. Re-employment services provided to NUMMI-related participants include assessments, labor market information workshops, basic and remedial education, counseling, occupational and/or vocational skills training, supportive services and job placement activities. Moreover work2future and the other affected WIBs coordinate to leverage activities to ensure that NUMMI Dislocated Workers have access to all of the resources and services available to them through co-enrollments and co-case management.

work2future's anticipated total enrollment of 570 through the end of the program far exceeds the original projected enrollment goal of 447. An influx of participants residing outside work2future's Local Workforce Investment Area (LWIA) has transferred to work2future's

August 8, 2011

Subject: NUMMI Re-Employment National Emergency Grant and Exemplary Performance Award

Page 3

NUMMI Career Transition Center for assistance to find employment. In FY 2011-2012, work2future anticipates enrolling an additional 20 participants due to recent administrative layoffs at the NUMMI plant facility.

work2future plans to set aside the Exemplary Performance award to provide additional client services, technology enhancements, and workforce development training for work2future's staff.

work2future is scheduled to present a spending plan for the second increment of NUMMI NEG funding to its Executive Committee on August 18, 2011, its Finance Committee on September 14, 2011 and to work2future's Board on September 15, 2011.

EVALUATION AND FOLLOW-UP

The NUMMI NEG grant in the amount of \$1,493,839 and the Exemplary Performance Award of \$15,352 have been evaluated and approved for funding by EDD.

Ongoing progress reports will be submitted to EDD, work2future's Board, and to the City's Community and Economic Development Committee.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

- ☒ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The recommended action meets the above criterion regarding the use of public funding equal to or greater than \$1 million. This memorandum will be posted on the City's website for the August 30, 2011 Council agenda.

COORDINATION

This memo has been coordinated with the City Attorney's Office.

August 8, 2011

Subject: NUMMI Re-Employment National Emergency Grant and Exemplary Performance Award

Page 4

FISCAL POLICY ALIGNMENT

The NUMMI NEG Grant and the Exemplary Performance Award support Initiative 7 of the City's Economic Development Strategy, "Prepare Residents to Participate in the Economy Through Training, Education, and Career Support."

COST SUMMARY/ IMPLICATIONS

The recommended budget action in this memorandum will recognize revenues and appropriate the following amount: \$1,493,839 for the NUMMI NEG Grant and \$15,352 for the Exemplary Performance Award, for a total of \$1,509,191. With the NUMMI NEG Grant, work2future will be able to provide to existing and additional NUMMI clients assessments, labor market information, workshops, basic and remedial education, counseling, occupational and/or vocational skills training, supportive services and job placement activities. In addition, work2future will use the Exemplary Performance award to provide additional client services, technology enhancements, and workforce development training for work2future's staff.

BUDGET REFERENCE

Not applicable.

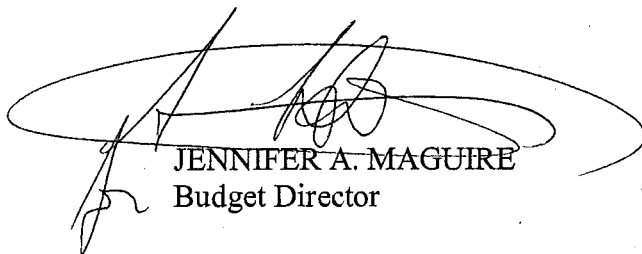
CEQA

Not a project; File No. PP10-067 (b): Appropriation Ordinance.

/S/

KIM WALES

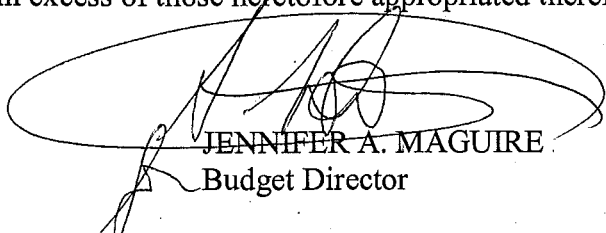
Director of Economic Development
Chief Strategist



JENNIFER A. MAGUIRE

Budget Director

I hereby certify that there will be available for appropriation in the Workforce Investment Act Fund in the Fiscal Year 2011-2012 moneys in excess of those heretofore appropriated therefrom; said excess being at least \$1,509,191.



JENNIFER A. MAGUIRE

Budget Director

For questions, please contact Jeff Ruster, work2future's Executive Director, at 408-535-8183.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen
Jennifer A. Maguire

**SUBJECT: ROUTE 101 IMPROVEMENTS
I-280 TO YERBA BUENA ROAD**

DATE: 08-01-11

Approved

Date

8/12/11

COUNCIL DISTRICT: 5, 7, 8
SNI AREA: K.O.N.A.
Tully/Senter
West Evergreen

RECOMMENDATION

1. Approve a funding agreement for the Route 101 from I-280 to Yerba Buena Road project providing funding in the amount of \$4,200,000 from the City of San José to the Santa Clara Valley Transportation Authority.
2. Adopt the following Appropriation Ordinance Amendments in the Building and Structure Construction Tax Fund:
 - a) Increase the appropriation to the Department of Transportation for the Route 101/Tully Interchange Upgrade by \$500,000.
 - b) Decrease the Ending Fund Balance By \$500,000

OUTCOME

The recommended action facilitates implementation of the Route 101 freeway improvements between I-280 and Yerba Buena Road in the City of San José by providing the necessary funds to:

- Complete construction of the Phase I project (101/Tully interchange upgrade) by Spring 2012.
- Complete the design for the Phase II project (101/Capitol Expressway to 101/Yerba Buena interchanges).

Completing the design for the Phase II project ensures the timely expenditure of State funds recently approved by the California Transportation Commission for the construction of Phase II.

Overall, the project will improve traffic safety, relieve traffic congestion, improve local access to the East San José and Evergreen areas of San José, and enhance the local economy through the creation of construction jobs.

BACKGROUND

The Santa Clara Valley Transportation Authority (VTA), in cooperation with the City of San José and Caltrans, has developed a project to relieve severe traffic congestion along Route 101 from the I-280 interchange to Yerba Buena Road (Project). Due to funding limitations, the Project has been developed in two phases as shown in Attachment A.

Phase I includes reconstruction of the Route 101/Tully interchange and widening of southbound Route 101 between Story Road and Capitol Expressway. Construction began in November 2010, and is expected to be complete in the Spring 2012. The total cost of the Phase I project is \$45 million.

Phase II will construct highway and interchange improvements from Capitol Expressway to Yerba Buena Road to include reconfiguring the interchange at Capitol Expressway, adding a southbound auxiliary lane between the Capitol Expressway and Yerba Buena Road, constructing a separate Yerba Buena Road off-ramp from southbound U.S. 101 and constructing a northbound slip on-ramp from the northbound collector–distributor road. The estimated total cost of Phase II is \$38 million.

On April 14, 2009, the City of San José and VTA executed a funding agreement whereby the City contributed \$4,000,000 toward the design of Phase I. The agreement also specified, subject to future City Council appropriation, that the City would contribute an additional \$6,000,000 toward the construction of Phase I, for a total City contribution of \$10 million. The City has already provided VTA with the \$4,000,000 for the design of Phase I. The proposed funding agreement, the subject of this memorandum, seeks to provide VTA with \$2.6 million for Phase I construction and \$1.6 million for Phase II design as explained below.

ANALYSIS

Since the execution of the City/VTA funding agreement on April 14, 2009, a number of events have occurred that have significantly advanced the development of the Project. These events include:

- VTA received American Recovery and Reinvestment Act (ARRA) funds for Phase I in the amount of \$4.356 million. These funds were applied to the Phase I construction portion of the Project and an equivalent amount of VTA's Local Program Reserve funding was reallocated from Phase I to begin the design work for Phase II.

- The construction cost of Phase I was reduced by approximately \$12 million from the Engineer's Estimate of \$35.7 million to a contractor's bid price of \$23.5 million. As a result, the construction funding requirements of the various Phase I funding sources was adjusted based on a pro-rated formula. To the City, this means that the estimated contribution of \$6 million toward the construction of Phase I was reduced by \$3.4 million to \$2.6 million.
- On June 23, 2011, VTA announced that the California Transportation Commission approved the use of \$24 million of State Proposition 1B funds toward the construction of Phase II. While this amount is less than the \$31 million needed to construct Phase II, VTA is in the process of both identifying other funding sources and reviewing the scope of the Phase II project for cost savings opportunities.

With the increased revenue to the Project associated with the ARRA and State funding, and the construction cost savings to Phase I, this memorandum recommends adjusting the City's previous funding plan in a manner that best supports the completion of the overall Project.

As summarized in the table below, the City's original \$10 million funding contribution toward Phase I is reduced to a total amount of \$6.6 million with the reduced construction cost. Of the \$3.4 million cost savings to the City (the difference between \$10 million and \$6.6 million), it is recommended that \$1.6 million of these savings be allocated to supplement VTA's contribution to complete the design development of Phase II.

Original City Project Funding

	Phase I	Phase II	Total
Design	\$4.0 M	0	\$4.0 M
Construction	\$6.0 M	0	\$6.0 M
Total	\$10 M		\$10 M

Recommended Revised City Project Funding

	Phase I	Phase II	Total
Design	\$4.0 M	\$1.6 M	\$5.6 M
Construction	\$2.6 M	0	\$2.6 M
Total	\$6.6 M	\$1.6 M	\$8.2 M

As a result of the above discussed revisions, the total City contribution decreases from \$10 million to \$8.2 million, consisting of the original \$4 million agreement for Phase I (design) plus an additional \$4.2 million (\$2.6M for Phase I construction plus \$1.6M for Phase II design), as reflected in the above table.

The recommendation of this memorandum ensures the completion of Phase I through construction as discussed in the original City/VTA funding agreement of April 2009. In addition, utilizing the City's construction cost savings from Phase I and additional revenue

associated with the ARRA funding, the design for Phase II is now fully funded and scheduled for completion in Spring 2012.

In terms of construction of Phase II, the California Transportation Commission's recent commitment of \$24 million of Proposition 1B funding is a major step toward completing the Project. While this funding commitment is still \$7 million short of the estimated \$31 million construction cost of Phase II, project staff continue to investigate other funding sources and identify potential project cost savings to close the gap. Nevertheless, construction of Phase II is planned to begin in Summer 2012, and be completed by late 2013.

EVALUATION AND FOLLOW-UP

City staff will provide quarterly updates on the status of this project to the Transportation and Environment Committee. No further follow-up with the City Council on this matter is expected.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The recommendation of this memorandum meets the requirements of Criterion 1 and will be posted on the City's website as part of the Council Agenda outreach process.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Department of Planning, Building and Code Enforcement.

FISCAL/POLICY ALIGNMENT

The recommended action aligns with the Transportation and Aviation City Service Area strategic goal related to facilitating efficient operations of the regional freeway system. The adopted Traffic Capital Budget identifies the Route 101 improvements and upgrades of the Tully, Capitol and Yerba Buena interchanges as priority projects for San José.

COST SUMMARY/IMPLICATIONS

The 2011-2012 Adopted Budget includes funding of \$3.7 million for this project. With the total projected cost for the Phase I construction and Phase II design totaling \$4.2 million, a budget augmentation of \$500,000 is required. In 2010-2011, funding of \$1.0 million for this project was not expended. A portion of the unexpended allocation (\$500,000) was rebudgeted into 2011-2012, leaving a remaining allocation of \$500,000 which was inadvertently not rebudgeted; increasing the Building and Structure Construction Tax Fund 2010-2011 ending fund balance/2011-2012 beginning fund balance by \$500,000. In order to fund the agreement, the full \$1 million rebudget is necessary. Therefore, as part of this memorandum, the recommended action will restore the project's funding by \$500,000 from the Building and Structure Construction Excise Tax Fund's 2011-2012 beginning fund balance.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreement recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2011-2012 Proposed Budget Page	Last Budget Action (Date, Ord. No.)
Current Funding Available						
429	6163	Route 101/Tully Interchange Upgrade	\$3,700,000	\$3,700,000	V-707	06/29/2010; Ord. No. 28765
Additional Funding Recommended						
429	6163	Route 101/Tully Interchange Upgrade	\$500,000*	\$500,000		
Total Funding Available			\$4,200,000	\$4,200,000		

* The recommended actions in this memorandum will increase the Route 101/Tully Interchange Upgrade appropriation from the Ending Fund Balance, which currently has a balance of \$1,055,261.

HONORABLE MAYOR AND CITY COUNCIL

08-01-11

Subject: Route 101 Freeway Agreement (Route 280/680 to Yerba Buena Rd.)

Page 6 of 6

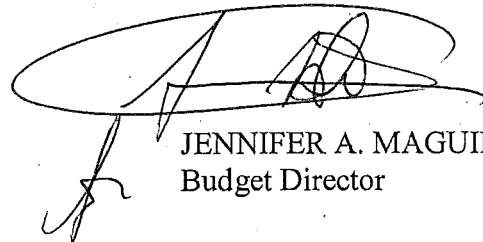
CEQA

Mitigated Negative Declaration, File No. OA05-010.

Acting as Lead Agency, Caltrans prepared an Initial Study and adopted a Mitigated Negative Declaration (MND) in 2005 for the US 101 Operational Improvement Project. The City, acting as a Responsible Agency, can rely upon Caltrans' MND for purposes of informing the City's decision to complete the proposed agreement with VTA.

/s/

HANS F. LARSEN
Director of Transportation



JENNIFER A. MAGUIRE
Budget Director

For questions please contact Ray Salvano, Division Manager for Regional Transportation Projects, at 975-3706.

Attachment

Attachment A

U.S. Operational Improvements Project

